

**Summary: Comments of the Semiconductor Industry Association
To the Workshop on Subsidies, Antidumping, and Countervailing Duties
on the Free Trade of the Americas Initiative (FTAA)
September 26, 2003**

The Semiconductor Industry Association (“SIA”) of the United States welcomes the opportunity to submit comments pursuant to the open invitation to civil society in countries participating in the Free Trade of the Americas (“FTAA”) negotiations. The SIA is the leading voice for the U.S. semiconductor industry and has represented American-headquartered manufacturers since 1977. SIA member companies comprise approximately 85% of U.S.-based semiconductor production. Our member companies have global manufacturing and distribution.

The U.S. semiconductor industry strongly supports the efforts of negotiators to reach agreement on the elimination of tariff and non-tariff barriers in our hemisphere, but is very concerned about the apparent effort of some FTAA participating countries to severely weaken or even eliminate trade remedy laws, including antidumping and countervailing duty provisions. SIA believes that the appropriate forum for discussing international trade remedy laws is the World Trade Organization, where discussions are already underway to “clarify and improve” existing disciplines while “preserving the basic concepts, principles and effectiveness” of the Antidumping and Subsidies Agreements.

The mandate from Ministers in the FTAA negotiations, embodied in the March 19, 1998 San Jose Ministerial Declaration, regarding trade remedies is also aimed at improving disciplines. Despite the fact that this mandate clearly does not invite a wholesale rewriting of the trade rules, it appears that some FTAA participating countries have taken the view that the San Jose Declaration opens the door to the creation of whole separate set of methodologies and procedures, many of which differ considerably from, or even contradict, provisions contained in the WTO Antidumping and Subsidies Agreements. SIA is concerned that this raises serious issues with respect to most favored nation application of the laws, that would set the FTAA at odds with the provisions of the WTO. Many of the FTAA proposals would make effective relief from unfair trade *more* difficult to achieve, without achieving the stated goals of deepening existing disciplines and improving the rules and procedures in order to prevent unjustified barriers to trade in the hemisphere. The U.S. semiconductor industry does not support any weakening of the disciplines to combat unfair trade practices.

The attached comments provide more detailed information regarding our position. For additional information, please contact SIA Vice President for Public Policy Daryl Hatano at dhatano@sia-online.org.